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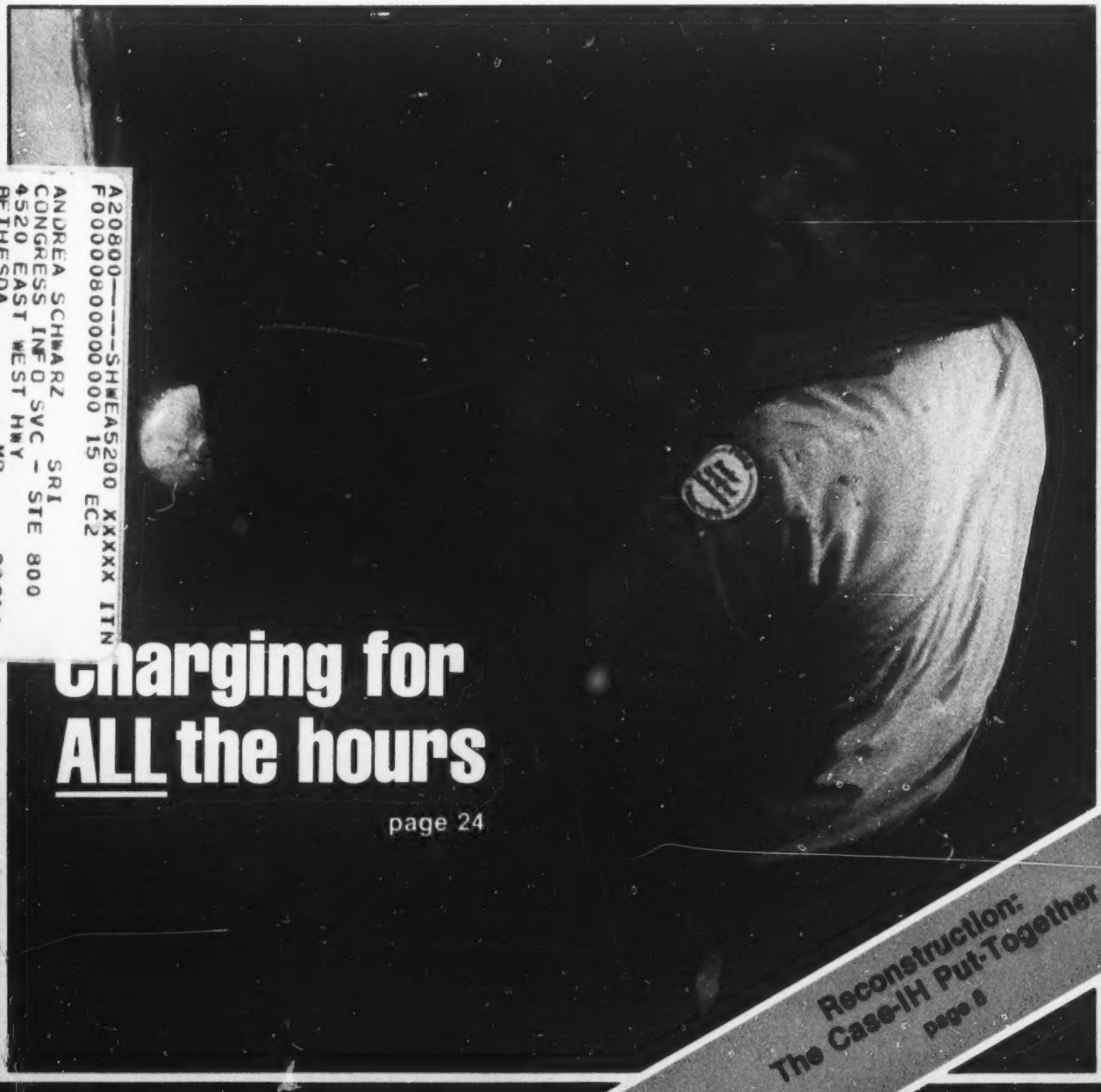
I&T 100 YEARS OF LEADERSHIP 1886-1986

Implement & Tractor

The business magazine of the farm and industrial equipment industry MARCH 1986

Laws to Curb Company Stores? page 6



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page 24

Reconstruction: The Case-IH Put-Together

page 8

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Implement & Tractor

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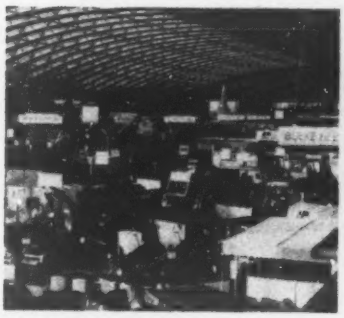

page 16

page 24

8: **Was It a 'Two-Loser' Merger?** The first big put-together in the current farm machinery shakeup paired J I Case with International Harvester. This second in an I&T series on the industry's restructuring looks at how that merger is managing.

14: **Will Mower Disks Harvest Soybeans?** USDA researchers at Illinois are checking out a replacement for the reciprocating cutterbar.

16: **Indelicate Topic Spurs Dutch Machinery.** A mountain of manure is building up in the Netherlands, and machinery builders there are dashing to cash in.

20: **Simplified Steiger Lineup Features Row Crop Model.** A completely new tractor model and a cutback to only five production models marks the 1986 offerings from the North Dakota builder.

24: **'Notify That Customer.'** When labor charges escalate, this industrial dealership rarely downscales the cost of service labor on repair work.

28: **A Look at 22 Equipment Sellers' Results.** This FDO survey report is not a statistician's dream, but it may give you some insights.

34: **Dealers React to Ford-New Holland Deal.** Most think it's a good thing for themselves and the industry, but there's some disagreement on which of the two companies is the best operator.

On the cover... Alan Dobson is one of the service technicians at Bob Sharp, Inc., St. Louis Ford industrial equipment dealer.

DEPARTMENTS

Update 4
Inventory Watch 4
Editor's Notebook 6
Industry Changes 13
Auction Prices 22
Nice Ideas! 23
Around the Industry 30
What's New 32
Literature 36
Book Looks 36
Brown Pages 38
Classified Ads 42
Index to Advertisers 42

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Update

Exports, Imports Down; Balance Narrows

United State's exports of farm machinery declined 17 per cent in 1985 from 1984's $2.235 billion to $1.855 billion. Farm machinery imports declined from $1.729 billion in 1984 to $1.558 billion in 1985. The favorable balance of trade, which was $667 million in 1983 and $506 million in 1984, declined to $297 million for 1985.

Major customers for U.S. equipment (value in millions): Canada ($792), Mexico ($215), Australia ($141), Saudi Arabia ($96), France ($60) West Germany ($57), United Kingdom ($53), Venezuela ($43), South Africa ($29) and Belgium ($24).

Major sources of imports (volume in millions): Canada ($416), Japan ($356), West Germany ($222), United Kingdom ($207), Italy ($122), France ($69), Netherlands ($34) and Belgium ($29).

Tractor exports (including tractor parts) were $952 million; tractor imports (also including parts) were $1.003 billion.

January Retail Sales: 1985 Trends Persist

Retail sales of farm equipment in the U.S. started out the year with little significantly different from directions established in 1985. Total tractor sales were up slightly because of the strength of the market for small, made-in-Japan tractors. Other tractor market segments were mixed; sales of major implements were substantially down. From the Farm & Industrial Equipment Institute report:

	Unit Retail Sales		
	January 1986	January 1985	Pct. Change
Farm Wheel Tractors:			
2-wheel drive			
Under 40 hp	3,157	2,462	+28.2
40-99 hp	2,474	2,739	−9.7
100-139 hp	379	888	−57.3
Over 140 hp	1,223	1,128	+8.4
Total 2-wheel drive	**7,233**	**7,217**	**+0.2**
4-wheel drive			
Under 200 hp	72	95	−24.2
Over 200 hp	201	142	+41.5
Total 4-wheel drive	**273**	**237**	**+15.2**
Total All Tractors	**7,506**	**7,454**	**+0.7**
S-P Combines	621	742	−16.3
Balers (Under 200-lb. bales)	249	306	−18.6
Forage Harvesters (shear-bar type)	87	114	−23.7
Mower-Conditioners	407	480	−15.2

Allied Adds Lilliston to Ag Equipment Group

Allied Products Corp. has made another move into the farm equipment industry. Effective about Mar. 31, Allied will acquire the assets of Lilliston Corp., Albany, Ga., in exchange for Allied Products common stock.

In its last fiscal year, ended Oct. 31, 1985, Lilliston had sales in excess of $25 million. The company produces cultivating equipment, grain drills and other farm equipment.

Allied's other farm equipment properties are Bush Hog Div., White Farm Equipment, Kewanee Farm Equipment Co., New Idea Farm Equipment Div. and Continental Gin.

Deere's Sales: $701 Million

Deere & Co. had a net loss of $34.4 million in the first period of fiscal 1986 (ended Jan. 31) on sales of $701 million, compared with a loss of $28.2 million on sales of $763 million a year earlier.

Net income of financing and leasing subsidiaries in the quarter was $13.7 million, down $6.6 million from a year before. Insurance income went up a half-million dollars to $7.1 million.

Trade receivables in the quarter fell by $146 million to $2.6 billion. North American dealers' farm equipment receivables fell by $210 million. Worldwide production is set for 5 per cent less in 1986 than in 1985.

Briefly...

Kubota, Japan's biggest farm machinery maker, will produce tractors in Spain in order to reduce trade friction between Japan and EEC countries, according to London's *Financial Times.* Kubota will take over the tractor division of Motor Iberica, Nissan's Spanish subsidiary, and move the operation from Barcelona to Madrid. Kubota is said to sell from 5,000 to 6,000 tractors yearly in Europe.

Hesston's 1985: $18 Million Loss

Hesston Corp. lost $18.8 million in fiscal 1985 on sales of $157.5 million, compared with a loss of $4.48 million in 1984 on sales of $191 million. Fourth-period sales this year were $35 million, with losses at $8.8 million, compared with $45.5 million in sales and losses of $2.7 million.

According to Howard Brenneman, president, $2.2 million in expenses accrued to cover the cost of transferring the manufacture of products from Hesston's plants in Illinois to Kansas.

Inventory Watch

What's happening to stockpiles in relation to sales.

	Inventory Levels							12-Month Sales,
Equipment	Dec. 31 1984	July 31 1985	Aug. 31 1985	Sept. 30 1985	Oct. 31 1985	Nov. 30 1985	Dec. 31 1985	Jan.-Dec. 1985
Tractors:								
Under 40 hp	38,550	38,093	39,808	40,319	41,153	44,086	46,559	57,214
40-99 hp	32,509	27,667	27,724	27,686	26,455	26,464	25,658	37,847
Over 100 hp	29,714	24,594	24,123	23,487	23,171	22,861	22,243	17,700
Four-wheel drive	4,608	4,189	4,057	3,811	3,601	2,889	2,889	2,912
Total Tractors	**105,381**	**94,543**	**95,712**	**95,303**	**94,380**	**96,811**	**97,349**	**115,673**
S-P Combines	9,547	10,064	9,379	8,969	8,353	7,249	6,685	8,411

Source: Farm & Industrial Equipment Institute

Auction Prices

Asterisk beside price indicates highest bid offered on tractors that were not sold.

YODER & FREY, INC.
Archbold, Ohio
January 14,1986

JOHN DEERE TRACTORS

A, 1948, (Fair) 385
50, 1954 (Rough) 850*
MT, Mo. 1952 (Fair) 1300
60, 1955 ..... 1025*
70, ... 975
530, 1957 (Fair) 1550*
720 diesel, 1958 ..... 1900*
2010, 1962 (Rough) 2250
2010, 1961 (Rough) 1700*
2440 diesel, 1978 (Rough) 5700*
2510, 1968 (Good) 3700*
3010, 1961 2750
3020, 1968 ..... 2800*
3020, 1968, (Excellent) 3000*
3020, 1967, (Good) 4500*
3020, 1968, (Fair) 3500
3020, 1966 4800
4010 diesel, 1962, (Fair) 3400*
4010 diesel, 1962, (Good) 4150
4010 diesel, 1962, (Fair) 3550*
4010, 1963, (Good) 3500
4020 diesel, 1966, (Fair) 5100*
4020, 1966, (Fair) 4475
4020, 1967 ..... 4700*
4020 diesel, 1969 ..... 5600*
4020 diesel, 1962, (Good) 6150
4020, 1967, (Fair) 3100*
4020 diesel, 1966, (Good) 5100*
4120 diesel, 1965, (Good) 4800*
4120 diesel 5700
4120 diesel, 1966, (Fair) 4200*
4320, 1971, (Rough) 4000*
4320, 1972, (Fair) 4600*
4320, 1973 12,000
4320 diesel, 1973, (Fair) 5500*
4320 diesel, 1973, (Fair) 4100
4320, 1972, (Good) 6900*
4430 10,500
4430, 1975, (Fair) 10,500*
4430 10,000
4430, 1975, (Good) 10,250
4430, 1976, (Good) 9900*
4430, 1976, (Fair) 9200*
4430, 1975, (Fair) 10,850
4620, 1972, (Good) 7200
4630, 1974, (Fair) 6400
4630, 1975, (Good) 10,750*
5020 diesel, 1972, (Good) 4600*
8430, 1976, (Fair) 11,600

MASSEY-HARRIS TRACTORS

44, 1954, (Rough) 425

KUBOTA TRACTOR

245 diesel 2450

FERGUSON & MASSEY FERGUSON

40, (Good) 7150
35 diesel, 1960, (Fair) 1950
35 diesel, 1960, (Fair) 1950*
35 diesel, 1959, (Fair) 2225
85, 1958, (Fair) 1325*
135 diesel, 1969, (Rough) 1900*
135, 1966, (Fair) 2850
165, 1972, (Fair) 2250
165 diesel, 1969, (Fair) 2950
165 diesel, 1968, (Fair) 2850
165 diesel, 1971, (Fair) 3000*
285 diesel, 1979, (Good) 5400*
290 diesel, 1984, (Excellent) 8250*
1100, 1966, (Fair) 2900
1105, 1978, (Fair) 5500*
1135, 1975, (Good) 5450

DEUTZ TRACTOR

D13006, (Fair) 8,100*

CASE/DAVID BROWN TRACTORS

480B, hoe, 1975 7600
730 LP, 1964, (Fair) 1200*
730 diesel, 1966, (Good) 1100
830 550
930 diesel, 1964, (Fair) 3300*
930 diesel, 1965, (Fair) 1100*
930, 1963, (Fair) 2150
970, 1972, (Good) 4600*
1270, 1973, (Good) 5350*
1370, 1976, (Fair) 5400*
1570, 1979, (Rough) 6500*
2090, 1981, (Fair) 8700
2390, 1980, (Fair) 11,500
2670 diesel, (Fair) 9300

ALLIS-CHALMERS TRACTORS

WC, plow 550
WD 375
WD, 1947, (Rough) 350*
WD-45, cult., 1957, (Fair) 600*
D-14, ldr., 1965, (Rough) 1475
D-15, 1967, (Fair) 2050
D-17, 1967, (Fair) 2200*
D-17, 1964, (Fair) 1850
D-19, 1966, (Fair) 2175
D-19, 1967, (Fair) 1650
195 diesel, 1976 5700
190XT, 1967, (Rough) 2700
190XT, 1970, (Fair) 3450
190XT, 1970, (Fair) 2600
200, 1972, (Fair) 200
7030, 1976, (Fair) 4900
7040, 1977, (Good) 5875
7040, 1978, (Good) 5400
7580, (Fair) 9300*

INTERNATIONAL HARVESTER TRACTORS

A, cult., 1950, (Rough) 1250
Cub, bld., 1950, (Rough) 1175
154, mo., ldr., ... 2500
H, 1951, (Good) 900
H, 1950, (Fair) 600*
H, 1940 450
H, 1948, (Fair) 450*
H, 1947, (Fair) 520*
M 575
M, 1950, (Rough) 675*
M, 1949, (Good) 950
M, 1952, (Fair) 700*
M, 1949, (Fair) 725
M, 1944, (Fair) 600*
M, 1949, (Fair) 700*
Sup. M, 1952, (Fair) 700*
100, 1955, (Fair) 1850*
240, 1980, (Rough) 775
400, 1957, (Rough) 675
450, 1957, (Fair) 1800
504, 1967, (Fair) 1800*
656 diesel, 1968, (Rough) 3300*
656, 1970, (Good) 3700
656 Hydro, 1970, (Good) 4500*
666 diesel, 1974, (Good) 6500*
666 diesel, ldr., 1975, (Good) 8800
706 diesel, 1966, (Fair) 2950
706, 1966, (Good) 1350
756, 1970, (Good) 4500*
766, 1974, (Fair) 4500*
766, 1974, (Fair) 3500*
766 diesel, 1972, (Good) 8600*
806 diesel, 1962, (Rough) 2125
806 diesel, 1965, (Good) 4900*
806, 1965, (Fair) 2350
806 diesel, 1965, (Fair) 4150
806 diesel, 1964, (Fair) 4750*
806, 1967 ..... 3800*
806, 1965, (Good) 3500*
806, 1970, (Good) 4200
806, 1965, (Rough) 1900*
806 LP, 1965, (Rough) 1750*
806 diesel, 1966 4150
856, 1969, (Good) 5500*
856 diesel, 1970, (Fair) 5500*
856 diesel, 1968, (Good) 4500*
856 diesel, 1970, (Good) 4900*
856 diesel, 1975, (Fair) 3950
966, 1972, (Fair) 5600*
966 7500
966, 1973, (Fair) 5900*
966 diesel, ... 6500
966 6500
986, 1978, (Good) 8400
1066, 1975 7700
1066, 1971 ..... 6000*
1066 diesel, 1973, (Rough) 3500
1066, 1974, (Good) 6600*
1256 diesel, 1970, (Rough) 3450
1256 diesel, 1970, (Fair) 4500
1256, 1970, (Fair) 3800
1456 diesel, 1969, (Fair) 4100*
1456, 1969, (Good) 5500
1466, 1975, (Fair) 7000*
1466, 1975, (Good) 6400*
1466 diesel, 1974, (Good) 7400*
1466 diesel, 1973, (Good) 6700*
1466, 1974, (Good) 6700*
1486, 1978, (Fair) 10,250
1566, 1976, (Good) 7300*
1566, 1971, (Good) 7600*
1586, 1978, (Good) 10,000*
H 86, 1979, (Fair) 5000
4366, 1979, (Fair) 12,500*

WHITE TRACTORS

2-70, 1975, (Fair) 5700*
2-150, (Fair) 8400
2-150, 1978, (Fair) 5300*

FORD TRACTORS

8N, 1950, (Fair) 1100
8N, 1949, (Rough) 825*
8N, ldr., 1951 ..... 1800*
8N, 1950, (Rough) 1100*
9N, 1945, (Fair) 835
9N, 1945, (Fair) 875
600, 1957, (Fair) 1950*
640, 1958, (Rough) 1950
800, ldr., 1957, (Rough) 1500*
800, ldr., 1957, (Fair) 2400
4000, ldr., 1964, (Fair) 2150
4000, 1964, (Fair) 2900
5000 diesel, 1972, (Fair) 4800
9000, 1971, (Rough) 3800
9600, 1974, (Fair) 6000*
9600, 1974, (Rough) 4400
1910, New 8250*
6600, 1979, (Fair) 4400
7610, 1984, (Excellent) 14,200
Jub., ldr., 1954, (Fair) 1900*

OLIVER TRACTORS

550, 1959, (Fair) 1900
550, ldr., 1960, (Fair) 3150
1600 diesel, 1963, (Good) 2300*
1650 diesel, 1967, (Fair) 2850
1755 diesel, 1973, (Fair) 3700*
1850, 1967, (Fair) 1850*
1855 diesel, 1973 ..... 4300*
1855 diesel, 1985 ..... 3750*

JONES FARM EQUIPMENT CO.
Dothan, Ala.
January 14, 1986

CASE TRACTORS

1370 diesel, 1980 (Good) 7000
1370, 1977 (Good) 4000*
1070 diesel, canopy 1976 (Fair) 2800*

FERGUSON & MASSEY-FERGUSON TRACTORS

1130, 1971 (Rough) 3900
1105 diesel, 1974 (Fair) 4100*
575 diesel, 1974 (Good) 2000
285, canopy 1980 (Good) 6600
282, 1974 (Excellent) 7000*
265, 1975 (Excellent) 6000
175, 1973 (Rough) 2700*
175 diesel, 1973 (Fair) 3400
175, 1967 (Rough) 1600
175, (Fair) 3000
175 diesel, 1964 (Fair) 2550*
165 diesel, 1974 (Rough) 1600*
165 diesel, 1970 (Fair) 2600*
165, 1968 (Good) 3175
150, 1965 (Fair) 3250
135 diesel, 1976 (Good) 3900*
135, 1975 (Good) 3475
135, 1974 (Fair) 2900*
135, 1973 (Good) 3700*
135, 1967 (Good) 3000*
35, 1974 (Rough) 1400*
35, 1962 (Fair) 1350
35 diesel, 1961 (Good) 2375
35, 1959 (Fair) 1500*
30, (Rough) 500*
30, (Good) 1260
30, 1952 (Fair) 900
TO30, 1951 (Rough) 975

FORD TRACTORS

7000 diesel, 1977 (Rough) 3300
7000, 1976 (Fair) 4800*
6700, 1977 (Rough) 5400
5000, 1976 (Good) 3700
5000, 1973 (Fair) 3300
5000, 1971 (Good) 4200
5000, 1970 (Good) 4500
5000, 1967 (Fair) 3475
5000, 1967 (Fair) 2750
4000, 1981 (Rough) 1300*
4000 diesel, 1972 (Good) 4200
4000 diesel, 1971 (Good) 4400*
4000 diesel, 1969 (Fair) 3200
4000 diesel, 1969 (Fair) 3000
4000, 1967 (Rough) 2400
4000, 1966 (Fair) 2950
4000, (Rough) 1050
4000 diesel, (Rough) 1550*
3000, (Fair) 3400
3000 diesel, 1978 (Fair) 2950
3000 diesel, 1977 (Fair) 3150*
3000, 1975 (Excellent) 3550
3000, 1975 (Good) 3500
3000, 1968 (Good) 2900
3000 diesel, 1968 (Good) 2950
3000, 1968 (Good) 2875*
2000, 1965 (Good) 1950*

(Continued on page 27)

2000, 1961 (Fair) 1450*
901, 1958 (Fair) 1300*
801, 1960 (Fair) 1900*
800, 1954 (Fair) 1675
Dexta diesel, 1961 (Rough) 800*
Dexta, 1961 (Fair) 1050
Super, 1958 (Rough) 600
9N, 1941 (Good) 1050
8N, 1952 (Fair) 1050
8N, 1950 (Fair) 1000
8N, 1948 (Good) 1300
8N, 1948 (Fair) 900*

INTERNATIONAL HARVESTER TRACTORS

1566, 1974 (Fair) 4700*
1486 diesel, 1977 (Good) 4100
1086, 1977 (Good) 5000
1086, 1971 (Good) 4200*
886 diesel, canopy 1977 (Good) 4500*
806, 1966 (Fair) 2500
806, 1965 (Rough) 1800
784, cab, 1978 (Fair) 5300*
674, 1977 (Rough) 1350
674 diesel, 1977, (Good) 4800
674 diesel, cab, 1977 (Good) 4600*
674 diesel, cab, 1977 (Good) 4200*
674 diesel, 1976 (Good) 3600*
674 diesel, canopy, 1975 (Fair) 3600*
666, 1972 (Good) 4000*
574 diesel, canopy, 1975 (Good) 4350
574 diesel, 1974 (Fair) 3350
574, 1974 (Good) 4200*
460 diesel, (Rough) 850
B414 diesel, 1964 (Rough) 800*
Cub, mo.. 1975 (Fair) 1125*
Super C, 1951 (Rough) 375
Super C, 1953 (Fair) 800*

JOHN DEERE TRACTORS

4520, canopy, 1969 (Fair) 3600*
4040, cab, 1978 (Excellent) 9000*
3120, 1965 (Fair) 2700*
2640, 1976 (Excellent) 5300*
1020, 1971 (Good) 2700*
1020 diesel, 1966 (Good) 3400
40, 1954 (Good) 1200

NUFFIELD TRACTOR

465, (Fair) 750

NOTES:
Prices reported are for individual sales at wholesale on an "as is," "cash and carry" basis. Prices reported are not averages.

Condition Classifications:

EXCELLENT: Engine in perfect condition, 400 to 600 hours of use. Rubber—80% tread remaining, no breaks or cracks. Paint—original and bright. General appearance: excellent.

GOOD: Engine in good running condition. Rubber—70% tread remaining, no breaks or cracks. Paint—original or a good repaint job. General appearance: good over-all.

FAIR: Engine possibly in need of a minor overhaul. Rubber—60% tread remaining, some cracking evident in sidewalls. Paint—only fair, weathered and some rust apparent. General appearance: worn, some dents, minor parts (gage covers, etc.) missing or broken.

ROUGH: Engine obviously in need of a major overhaul. Rubber—smooth. Paint—scarred, weathered, rusty. General appearance: dents, ruptures, broken parts, loose wires, components (such as lights) broken, missing or inoperative.

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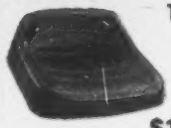

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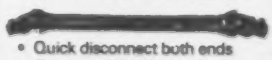

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FDO Survey Report

A look at 22 equipment sellers' results

It's not a statistician's dream, but it may give you some insights.

By Bill Fogarty

■WE WERE asking a lot. Our For Dealers Only survey for December requested that the participating dealer go to his records and write down the following:

1. How much volume each of his sales personnel produced in 1984. 2. How much total income (salary and commissions) the sales person received. 3. How much of his time was spent selling, as opposed to other duties. 4. The same data for the first nine months of 1985.

Well, we're grateful to the dozen dealers who did just that. From some of them, the numbers came in down to the penny. When you get a response that slim, you know that it may not have statistical validity, but because these dealers made this extra effort, we want to share our findings about their 22 sales persons.

Warning: This is no national average. It's an account of how much sales volume and personal income were produced by 22 sales people in 1984 and by 20 of these same people in the first nine months of 1985.

In 1984, they turned in a sales volume totaling $18.88 million, which works out to an average of $858,000 each. But individual volumes actually ranged all over the map. The biggest producer turned in a volume of $1.64 million. The smallest: $88,000 in eight months, adjusted to $132,000 if he had done a full year.

Incomes. The sales effort resulted in a total personal income of $552,800, which averages out to $25,100 for each of the 22 sales persons.

But the incomes, like the volumes, jumped around. Best was $44,500; second-best was $44,000 for the one who did that volume of $1.64 million. Lowest income: $12,500.

Relatively similar sales volumes didn't always produce similar incomes. It became clear, after we studied the figures, that many of these sales persons were handling lawn and garden equipment or other lines which could, in today's market, produce more margin from a limited volume and pay them a reasonable income.

And then we divided each seller's income by the sales volume he produced. Generally, the lower the volume total was, the higher the percentage that went to the seller's income. The 1984 average was 2.9 per cent, but the range was from 1.6 to 11.9 per cent.

When we figured averages by the month, each sales person did about $71,500 in volume and had $2,100 in income.

To 1985. Moving to the first nine months of 1985, we saw that further softening of the farm equipment industry was reflected in what happened with this group of sales persons.

Now down to 20, the group moved $11.83 million in equipment and had income of $358,000. That worked out to $591,000 per sales person, with a nine-month income of $17,900, or sales per person per month of $65,700 and monthly income of just under $2,000.

Income as a per cent of sales volume went up a shade in the first nine months of 1985, to 3.0. The ranges were not as pronounced as those experienced in 1984, but they were substantial, running from 1.4 to 9.5 percent.

It's getting tougher for a dealer to pay a reasonable income to his sales people. Some of the 10 salesmen who finished 1984 in the million-dollar circle appeared unlikely to come close to their performance levels in 1985.

Time spent. We asked the responding dealers to indicate how much of the salesman's time was spent selling. We didn't have the space to define if "selling" was actual time involved in contact with sales prospects or if it was to include

22 Retail Sales Persons: Their Volume and Income

Sales Volume	Earnings – Salary and Commissions																			
	Under $10,000	$10,000-11,999	$12,000-13,999	$14,000-15,999	$16,000-17,999	$18,000-19,999	$20,000-21,999	$22,000-23,999	$24,000-25,999	$26,000-27,999	$28,000-29,999	$30,000-33,999	$34,000-37,999	$38,000-41,999	$42,000 and over
$1,600,000 and over															X
$1,400,000-1,599,999									X					X	X
$1,200,000-1,399,999					•				•	X					
$1,000,000-1,199,999									XX			XX			
$800,000-999,999					XX				•	•					
$600,000-799,999					•	•	••	X•	X		X				
$400,000-599,999		X	•	•	XX ••			•							
$200,000-399,999	•		•	X	•		X								
Under $200,000		•	•	X	•		X								

X - 1984
• - 9 mos., 1985

all the sales-relevant actions performed by the individual. In the typical farm-industrial-lawn-garden equipment dealership many sales persons are charged with related duties.

Note: One of the top sales persons in the survey, the one who made the most money in 1984, was listed as spending 100 per cent of his time that year in the selling effort. In 1985, he was apparently moved to other duties and was involved in selling only 30 per cent of the time. His income, at least from selling, was more than halved, and so was his volume.

The average percentage of available time spent selling, according to the FDO survey, was 85 per cent in 1984 and 83 per cent in 1985; the slight difference being accounted for by one person's reported shift.

Remember, we warned you about the statistical significance of this! □

How 22 Salesmen Were Doing, 1984-85

Sales Person	1984 Volume ($000)	1984 Income	Income as Pct. of Vol.	1st Nine Months 1985 Volume ($000)	1st Nine Months 1985 Income	1st Nine Months Income as Pct. of Vol.	Pct. of Time Spent in Selling
1	$1,842	$44,000	2.7	$ 941	$26,300	2.8	85
2	1,500	24,000	1.6	–	–	–	80
3	1,494	44,511	3.0	423	15,531	3.7	100/30
4	1,423	38,518	2.7	550	13,497	2.3	100
5	1,376	26,785	2.1	618	16,121	2.6	100
6	1,126	33,093	2.9	1,293	25,382	1.9	100
7	1,110	35,940	3.2	682	21,100	3.1	85
8	1,010	25,000	2.5	754	19,000	2.5	80
9	1,000	30,000	3.0	750	22,500	3.0	90
10	1,000	25,000	2.5	900	25,000	2.8	50/60
11	880	16,000	1.8	1,200	17,100	1.4	70
12	800	16,000	2.0	–	–	–	80
13	780	28,600	3.7	483	17,300	3.1	85
14	745	25,023	3.0	729	21,786	3.0	100
15	691	22,633	3.3	594	17,218	2.9	100
16	530	17,335	3.3	313	13,605	4.3	100
17	426	12,517	2.9	259	8,400	3.2	90
18	405	16,000	3.9	566	23,000	3.9	100
19	399	20,841	5.4	180	12,338	7.0	85
20	222	14,366	6.5	163	10,459	6.4	85
21	187	21,100	11.3	175	16,600	9.5	50
22	132	15,700	11.9	225	16,300	7.2	85

No. 21 worked nine months; data adjusted to 1 year.
No. 22 worked eight months; data adjusted to 1 year.

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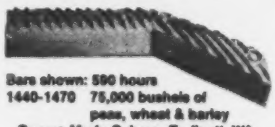

Bars shown: 590 hours
1440-1470 75,000 bushels of peas, wheat & barley
Owner: Merle Colyar—Endicott, WA

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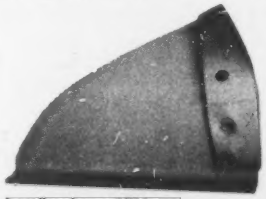

Impellor shown: 350 hours
1440-1470 50,000 bushels of peas, lentils, grass seed, wheat and barley
Owner: Rich Baden—Spangle, WA

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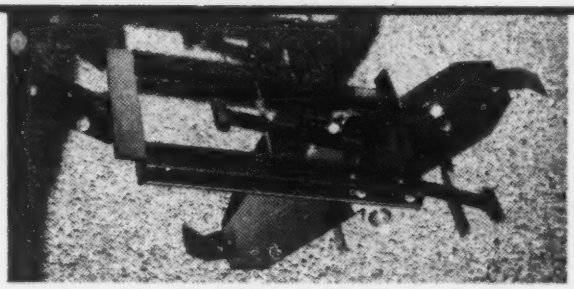

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Special Reaction Survey

Dealers React to Ford-New Holland Deal

Most think it's a good thing for themselves and the industry, but there's some disagreement on which company is the best operator.

■MOST FARM machinery dealers see the combination of Ford and New Holland as helping their own businesses, or at least not having an adverse impact.

That's how the voting came in on the *I&T Special Reaction Survey* that ran in the November issue asking reactions to Ford buying New Holland, which was announced in October.

Of the 218 dealers who answered, 105 said the Ford/New Holland deal will help their business, while 29 said it would hurt. Another 72 said it would have no impact, while 12 said they couldn't actually give a yes or no answer. A few responses came from persons other than dealers, but not enough to include in this report.

A look at the dealers' responses is in the accompanying table, which breaks them down into whether they handle either of the affected lines.

That New Holland feeling

While many dealers made comments both for and against the merger, there was a strong tone of concern that New Holland's management style would be lost as a result of the buyout.

"Ford should let New Holland management take over Ford Tractor instead of vice versa," wrote a Ford-New Holland dealer.

Another dealer, who also handles both, wrote: "NH gives dealers better terms, more interest-free floor plan, non-recourse financing, better warranty program."

But a Deere dealer felt good about the merger because, "I feel Ford will not give away equipment in company stores as NH has been doing."

And a Ford-NH dealer commented: "NH has a very bad

HOW WILL FORD/NH DEAL AFFECT BUSINESS?

Type of Dealer	Help	Hurt	No impact	No firm answer	Totals
Ford and NH	24	7	6	2	39
Ford (without NH)	29	1	11	3	44
NH (without Ford)	38	15	17	6	76
Neither Ford nor NH	14	6	38	2	60
Totals	105	29	72	12	218

From I&T's Special Reaction Survey, November 1985.

marketing plan; company stores, rebates to farmers. Ford gives rebates to dealers to cover trade-ins, etc. Ford is an excellent line of tractors, with backing and marketing. This will help our industry."

Dealers speak out:

"Ford will ruin a good NH operation."

Ford/NH/Hesston dealer

"Deal will hurt my business if Ford Motor Credit gets involved with retail financing."

Ford/NH/Kubota dealer

"It will hurt unless Ford changes the philosophy currently existing in NH company stores which predominate this area. It's important to note that neither company had to do this to get healthy."

Ford/NH/Kubota dealer

"Ford quotas can and will be imposed! Result—small dealer out. Since I've seen what Ford has done to auto dealers in my area, I'm thinking of going to Deere."

NH dealer

"It will be three to four years before we know what Ford wants.... I feel it hinges entirely on how hard Ford pushes the NH combine. Will Ford force NH combines with the contract?"

A-C/Gehl dealer

"If they paint the baler blue, it's all over for NH."

Case-IH/NH/Steiger dealer

"NH personnel know and understand farming and dealers much better....let NH market the equipment and tractors. Ford Credit Co. no good!!"

Ford/NH/Steiger/Versatile dealer

"If Ford elects to strengthen the NH company stores; the independent dealer will suffer. This is the only negative aspect we see."

Unidentified

"Will help because our customers now think Ford will stay in business; hurt because we have an NH company store 25 miles away that will become a Ford Tractor dealership."

Ford dealer

"The Ford name doesn't carry the clout that NH does. Regarding industry effect: Depends on how they merchandise it. If they paint blue and push the Ford name, they'll lose market share."

Case-IH dealer

"Not sure. We dislike Ford Motor Credit so much that if they choose them over NH Credit Dept., we may be forced to quit both."

NH/Versatile/Steiger/White dealer

"In five years it will be JD and Ford vs. two Japanese lines. The rest will go out due to lack of funds for retail contracts and leases. Ford Motor Credit is a key to what Ford Tractor is doing."

AC/Kubota/NH dealer

"Will help if Ford Credit is kept *out*! It will if Ford follows the marketing expertise of NH."

Unidentified

"Makes Ford a viable single franchise without needing other supporting lines."

NH/Deutz dealer

"If NH/Ford merger results in a consolidation of many dealers across the USA, it should be viewed in a positive way, since there *must* ultimately be fewer dealers in the USA."

Deere dealer

"It won't result in fewer dealers, which is only thing to help."

Case-IH dealer

"Ford is a much better businessman."

Deere/Gehl dealer

"Will hurt until surplus equipment is given away. Long term no change."

Deere dealer

□

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